



T. Rowe Price Funds OEIC

# Assessment of Value Methodology



T. Rowe Price conduct an assessment in line with the Financial Conduct Authority (FCA), the UK regulator, requirement for all authorised fund managers (AFM) of UK-domiciled funds, to perform annually a detailed assessment of whether their funds are providing value to shareholders.



## The Seven Criteria for Assessing Value Introduction

The FCA has identified seven main areas of focus within which authorised fund managers (AFMs) should assess their funds:

1. Quality of Service
2. Performance
3. AFM Costs
4. Economies of Scale
5. Comparable Market Rates
6. Comparable Services
7. Classes of Units

We use our defined methodology to assess each individual criterion and then assign a Red, Amber or Green (RAG) rating to demonstrate whether the outcome indicated value for each individual assessment as follows:

	For the criterion under consideration, the metrics and commentaries considered indicate value.
	For the criterion under consideration, the metrics and commentaries considered indicate value, but actions have either been identified or taken and/or further monitoring is required.

	For the criterion under consideration, the metrics and commentaries considered indicate value was not delivered and remedial action(s) is required.
	The fund was launched within the last 12 months and does not have a sufficiently long enough track record to provide an effective assessment of its performance.

**Only then is the outcome of the assessment for each individual criterion considered collectively to determine whether a fund has delivered overall value to investors in the period.**

We are committed to providing an assessment of value which is as objective as possible. To this end, we engage with an external party to provide independent and supplementary data and analysis on both performance and fund charges. In addition to our own in-house research, we also use syndicated market research studies and third-party reports to assess our clients' experience.

All share classes of the funds are assessed; however, in the Assessment of Value conclusions we refer to our primary standard class (Class C) for illustrative purposes. This is the highest-fee-paying share class and the one most widely offered to our intermediary clients.

# 1. Quality of Service

**Purpose:** *To review the range and quality of services provided to shareholders.*

## Our Methodology

We seek to provide high-quality service to our clients, whether delivered directly by us or provided on our behalf by third parties.

In this assessment, we consider the diversity, range and quality of services that are provided to clients. We use a number of different criteria in our assessment, which can be broken down into four main areas.

## Investment Management Services

Using numerous criteria, we assess our research and investment capabilities. We look to define what makes T. Rowe Price different and how we utilise this to provide a high-quality service to our clients. An overview of this is detailed below.

T. Rowe Price is a premier, global, active, independent investment management firm. Founded in 1937, we have an over 85-year pedigree where we've been typically known by our clients for our pursuit of performance over the long term.

Being an independent asset manager that is focused entirely on active management, we have a single-minded focus on performing well over the long term for our clients.

We are also a large asset manager. This not only provides us outstanding corporate access, but also a high degree of intentional financial stability. This means we are able to focus on clients' needs across all market cycles.

We believe that original, in-house research is the primary driver of value-added active management. Our bottom-up research platform has over 900\* investment professionals located around the world. They interact extensively across sectors and asset classes, promoting a broad perspective that supports well-informed investment decisions.

Our culture of collaboration and sense of belonging fosters long-term relationships with both our clients and our associates.

At T. Rowe Price, we seek to inspire confidence with thoughtful, disciplined decision-making by principled associates who are committed to helping clients achieve long-term growth. Talented and experienced associates who thrive by sharing perspectives, debating solutions and pursuing success for our clients support our culture. Their efforts are supported by a time-tested approach to investment management, a shared commitment to providing the service our clients seek and a heritage of integrity.

\* As of 31 December 2025. Excludes OHA Associates.

We also assess whether the funds were managed according to their objective and in line with their active investment mandate. We considered the quality of our investment risk oversight and the robustness of our investment compliance procedures, including any breaches and remediation that may have taken place.

## Client Experience

T. Rowe Price is dedicated to ensuring we provide outstanding service and value to our clients. We are committed to enhancing the client experience and assess the quality of service we provide by leveraging comprehensive research to understand our clients' needs, experiences and expectations and using the feedback to continuously evolve and deliver exceptional client service. This includes proprietary studies such as our client satisfaction study and third-party reports to continuously improve the services and products we provide.

## Product Governance

We review the robustness of our product governance framework and processes that span the entire life cycle of all of the products we offer and continue to look at areas where we are able to make enhancements to these as the needs of our clients and the regulatory landscape evolves.

## External or Third-Party Services

We analyse the service delivered by key third-party service providers, including those involving fund administration, transfer agency and custody services. In particular, we review whether the performance management, contract management and due diligence processes in place are sufficient to ensure that these providers are delivering a high quality of service.

## 2. Performance

**Purpose:** To review the performance of funds after fees and operating and administrative expenses have been deducted.

### Our Methodology

Our assessment considers the performance of our funds according to the funds' investment objectives, policy and strategy, which are described in the prospectus and Key Investor Information Document (KIID).

We also evaluate each fund's relative performance to its comparator benchmark(s) (primary and a secondary, if one exists), and relevant peer group, given our funds are actively managed.

Generally speaking, the Investment Association (IA) sector is the primary peer group considered; however, in some cases where the IA sector is deemed inappropriate, we use an alternative peer group.

We also engage a third-party service provider, Fitz Partners, to assist and provide an additional, independent view within our performance assessment. Fitz Partners construct peer groups for each of the funds by seeking comparison groups in the UK that had similar investment mandates and, where relevant, similar size.

In some cases, a fund has a dual investment objective. Our impact funds have a dual mandate to deliver positive impact on the environment and/or society as well as capital growth. Both components are considered in assigning the fund's overall performance rating.

We review the performance of all share classes. Variances between share classes usually occur for a variety of reasons—namely, length of track record, hedged and unhedged classes and different charging structures—but those nuances are generally not material to warrant a different RAG rating to the primary share class highlighted in the Assessment of Value conclusions.

## 3. Authorised Fund Manager Costs

**Purpose:** To review the cost of providing a service to which a charge relates and whether these charges are reasonable and fair.

### Our Methodology

In this assessment, we consider, in relation to each charge, the cost of providing the service to which the charge relates. Services can be directly experienced by the investors in the funds, as well as indirectly experienced, when services are provided by associates or external parties.

The ongoing charges figure (OCF) of our funds is composed of two fees: the annual management charges (also referred to as the Authorised Corporate Director (ACD) Fee in the prospectus) and operating and administrative (O&A) expenses.



We consider fund revenue, O&A expense subsidies and overhead costs using a variety of cost allocation methodologies to ensure a reasonable view can be formed despite the challenges regarding assigning overhead costs at such a granular level.

### Annual Management Charge

This is calculated as an annual percentage rate based upon the net asset value of each fund.

Our assessment considers the appropriateness of the current fee against the cost of providing the underlying investment management services whilst also maintaining a secure financial standing to provide continued high-quality investment management services, including during more challenging periods.

### O&A Expenses

Funds may pay, out of shareholder assets, all the relevant costs, charges, fees and expenses. These are varied but comprise mainly fees associated with the maintenance of the register of shareholders; the administration agent's fees; depositary custodian fees; and auditors', legal and other professional fees.

We ensure that fees are reviewed periodically with service providers and are competitive and that contracts offer economies of scale to clients where appropriate.

Where a share class's O&A expenses exceed a specified O&A expense cap level, T. Rowe Price bears the excess by subsidising that share class. The O&A expense cap was first established at up to 0.17% but was reduced to up to 0.14% from 1 April 2023.

This ensures that, whilst funds are still small, investors are not adversely impacted by high O&A expense charges.

Moreover, as a fund scales, this variable O&A expense charge will benefit from economies of scale negotiated with third-party service providers and gradually reduce as assets increase.

## 4. Economies of Scale

**Purpose:** *Identify whether the Authorised Fund Manager is able to achieve savings and benefits from economies of scale.*

### Our Methodology

The investors of our OEIC funds can derive benefits from savings in different ways, including from economies of scale related to the size of T. Rowe Price Group, Inc., the assets under management (AUM) of the OEIC umbrella or the AUM of each individual fund. Therefore, when we assess this criterion, we consider the following areas:

#### Expense limitation

Expense limitation is a way to share potential economies of scale and require T. Rowe Price to absorb expenses until a fund has grown to a sufficient size. The O&A cap mitigates the burden of high operating costs on investors in smaller funds. The O&A expense element of our fee is variable, capped at 0.14%, but as and when O&A expenses incurred fall below the cap, the savings achieved through economies of scale are passed directly to investors.

#### Economies of scale—based on the size of T. Rowe Price Group, Inc.

As part of the wider T. Rowe Price Group, Inc., the OEIC umbrella benefits from established global relationships with service providers. As an example, the custody fee paid by OEIC funds leverages on the global scale and assets of T. Rowe Price across regions.

#### Economies of scale—based on the size of the OEIC umbrella

Reductions in third-party fees (included in O&A expenses) is a way to share benefits of AUM level of the OEIC umbrella (even with OEIC funds that may still be subscale). In fact, as the OEIC umbrella grows in size, we are also able to negotiate better rates with third-party service providers.

#### Economies of scale—based on the size of the OEIC fund

We consider a level of AUM where it might become appropriate to pass on further economies of scale for individual OEIC funds. However, currently none of the existing OEIC funds are of a sufficient size for the application of an AMC discount model. We continue to monitor this on an ongoing basis.

## 5. Comparable Market Rates

**Purpose:** *To review the cost of the fund and compare against the market rate of similar funds.*

### Our Methodology

We examine how the ongoing charges figure (OCF) of our funds compared with our peers.

We utilise data from Morningstar to benchmark the charges for our funds against their relevant IA sector and peer group. This ensures a fair and representative selection of funds for comparison.

However, where the IA sector is deemed inappropriate for comparison, we use an alternative peer group.

We engage a third-party service provider, Fitz Partners, to assist and provide an additional, independent view within our comparable market rates assessment. Fitz Partners construct peer groups for each of the funds by seeking comparison groups in the UK that had funds with equivalent unit classes, similar investment mandates and, where relevant, similar size.

All share classes, where launched, are assessed against their relevant share class universes. However, to illustrate our conclusions, we use our primary share class (Class C), which is the highest-fee-paying share class and the one most widely offered to our clients.

## 6. Comparable Services

**Purpose:** To review the annual management charge of the fund compared with the charges of similar products offered by T. Rowe Price, i.e., by similarity of size, investment objectives and policies.

### Our Methodology

T. Rowe Price provides investment management products and services to many different clients around the globe.

When setting the level of pricing for OEIC funds, we take into account a number of factors, including, but not limited to: the pricing of our institutionally managed accounts, the fees of

comparable pooled T. Rowe Price funds and also the fees of capacity-constrained strategies.

In this assessment, we consider how the annual management charge of the OEIC funds compares with the management charge paid by other T. Rowe Price clients investing in or through similar products and services.

In particular, we look at the charges paid by investors in similar sub-funds of T. Rowe Price Funds SICAV, an open-ended investment company, authorised as a UCITS scheme and domiciled in Luxembourg. We also analyse the charges paid by institutional investors with separately managed accounts which have larger minimum investment-level requirements.

## 7. Classes of Units

**Purpose:** To consider whether it is appropriate for unitholders to hold units in classes subject to higher charges than those applying to other classes of the same fund with substantially similar rights.

### Our Methodology

We issue different classes of shares in our OEIC range. These types of shares vary in terms of the fees, features and services associated with them.

<b>Class C</b>	Standard class, designed for all types of investors.
<b>Class C9</b>	Foundation share class, designed for all types of investors.
<b>Class T</b>	Designed for and restricted to institutional investors that have a professional service agreement with T. Rowe Price.
<b>Class Z</b>	Designed for and restricted to institutional investors that have a professional service agreement with T. Rowe Price. No Z Class shares have been launched to date.

We compare the fees charged for different share classes to ensure that we treat investors fairly, regardless of which share class they are invested in. We take into account a number of factors in setting the pricing for share classes and ensure that no investors with substantially similar rights were subject to higher charges.

### Contact us

If you require any further information on any aspect of this report, or if you are uncertain about what this means for your investments, please contact your financial adviser. For intermediary and institutional investors: If you have any queries, please contact your relationship manager.

For more information on T. Rowe Price and our investment capabilities, please visit our website: [troweprice.com](https://www.troweprice.com).

T. Rowe Price focuses on delivering investment management excellence that investors can rely on—now and over the long term.

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#### Additional information

Fitz Partners Ltd. (Fitz Partners)—In our review of the seven criteria outlined by the FCA as well as additional factors we have deemed important, T. Rowe Price UK Limited has worked with Fitz Partners. Fitz Partners is an independent firm that provides boards and asset managers independent benchmarking related to a fund's value as well as providing a qualitative analysis related to benchmarking to assist the board in its review of each fund's value.

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#### Important information

The funds are sub-funds of the T. Rowe Price Funds OEIC, an investment company with variable capital incorporated in England and Wales which is registered with the UK Financial Conduct Authority and which qualifies as an undertaking for collective investment in transferable securities (UCITS). Full details of the objectives, investment policies and risks are located in the prospectus, which is available with the key investor information documents in English, together with the articles of incorporation and the annual and semi-annual reports (together, 'Fund Documents'). Any decision to invest should be made on the basis of the Fund Documents, which are available free of charge from the local representative, from the local information/paying agent or from authorised distributors and via [troweprice.com](https://troweprice.com).

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202604 - 5409929